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**ARIZONA CORPORATION
COMMISSION**

Arizona Corporation Commission

DOCKETED

APR 11 2014

April 10, 2014

Re: Energy Efficiency & Integrated Resource Planning

Docket No: E-00000XX-13-0214

DOCKETED BY

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To the Parties in the Dockets:

On April 17th I will be holding the 3rd and final workshop on Energy Efficiency. I appreciate the time, efforts and inputs of all who have participated in these workshops. In the first two workshops we have discussed the various cost effectiveness tests, test inputs, frequency for re-evaluation, cost recovery mechanisms, utility recovery of authorized non-EE fixed costs, and incentive programs.

In the final workshop I would like to concentrate on inputs that anyone has as to the effectiveness of the current rules.

- Are the current percentage reduction goals achievable? Should they be changed? Up or Down?
- Not all states who are pursuing energy efficiency have mandated targets like Arizona. What are some of the best practices of other states, for example Massachusetts, in pursuing energy efficiency?
- If energy efficiency is a resource, should the goal-setting and program approval be part of the Integrated Resource Planning process?
- If energy efficiency is a resource, should the Commission have flexibility to adjust energy efficiency goals by utility, based upon the needs of that utility?
- Since energy efficiency is an investment funded by ratepayers, should we have some sort of minimum Return on Investment (ROI) for ratepayers? For example, is a cost effectiveness of 1.0 sufficient or should we have a higher threshold?

Workshop 3 EE Standards and EE/IRP Rulemaking – April 17, 2014

Includes discussion of:

- 1.) Modification or suspension of EE standards.
- 2.) Incorporation of EE into IRP.
- 3.) Any proposed changes to EE and/or IRP rules.
- 4.) Arizona Public Service's overview of its annual DSM progress report required by Decision No. 73089.

Sincerely,

A handwritten signature in black ink, reading "Gary Pierce".

Commissioner Gary Pierce

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